Household Finance

By Christopher Harker (UCL) and Johnna Montgomerie (KCL)

Introduction

In this chapter, we argue that geographical approaches make clear how crucial the household is for understanding finance and financialization. We outline how geographical approaches have positioned households as distinct but interconnected financial spaces. In so doing, we argue that the household has been understood in three overlapping ways. The first is the household as a scale; the second is the household as a node in networked relations; third, the household as a place of and for lived experience. Many geographies of household finance cited in this chapter advance multiple spatial perspectives at once, sharing concerns about agency and power. They demonstrate that households and household finances vary geographically and historically. They also understand the household as a space through and in which political, economic, social, cultural and ecological power relations become knotted and potentially transformed. In other words, the household can become a location or conceptual lens through which to critically understand and change geographies of finance. We show how such a lens work in relation to austerity in Anglo-America. We argue in conclusion that financial geographies of the household provide a specific way of framing socio-economic changes that in turn provides crucial insights about the ways in which incorporation/exclusion, power/resistance and divergence/difference operate to produce and reproduce the global financial system. Geographical approaches to household finance make visible new hierarchies and inequalities in the distribution and redistribution of gains and losses from financialization.

The household and finance: bridging the divide

Finance has long been something associated with particular spaces of global capitalism, the steel and glass of global financial centres connected in a web of what become 'global' cities

(Sassen 1991, Graham & Marvin 2001). As the economic centre of gravity has shifted from the postwar Keynesian 'productive economy' to the present-day financial economy (Froud & Williams 2002; Krippner 2005), financial geographies have foregrounded the spatial dynamics constituted by flows of money, people and goods that make up the global political economy, and the places that co-constitute these flows. A critical geographical perspective further explores how the inequalities that emerge from such circulations lead to the active exclusion of particular people (e.g. women, indigenous peoples – see de Goede 2005, Bourne et al 2018) and places (e.g. Greece, Hungary – see Blyth 2013 Posfai et al 2017). This is a double exclusion, from both the wealth created by global financialization and from many academic accounts of finance and financialization. Financialization is used in this chapter "to describe a host of structural changes in the advanced political economies," which share a common evaluation of how global finance has altered the underlying logics of economic activity as well as the workings of democratic society (Van der Zwan 2014: 99). However, accounts of financialization that focus on markets, cities and states often exclude the household. In doing so, they miss how power and agency operate in the context of 'the financialization of everyday life' (Van der Zwan 2014: 100). The household is key for many capitalist processes and the political, economic and social struggles that surround them. Consequently, it is a crucial site for doing critical geographies of finance, not least because geographies of household finance are never just limited to the household.

How can we begin to account for the space of the household in finance? French et al. (2011) argue that the household is not simply a spatial container of financialised capitalism, but rather a site that participates in the growing integration of the international and domestic financial systems, retail and global financial markets. Finance connects everyday life and global financial markets through specific apertures of integration. 'Constitutive ecologies' of financial regulation, practices and knowledges that produce subjectivities in different places, result in uneven geographies of connection and disparate material outcomes (French et al., 2011, 812). While the architecture of global finance works towards homogenous structures, institutions and norms, everyday life unfolds in idiosyncratic and heterogenous ways. This in turn presents challenges for processes of financial connection and integration.

Methodologically, we can begin to approach the architecture of integration through a basic accounting framework: credits and debits, assets and liabilities. The balance sheet is a specific social technology (de Goede 2005). Methods of accounting standardize economic activity (Joseph 2014). Modes of accounting create, sustain, or transform the social relations of everyday life. Thus, the balance sheet is a powerful tool because it is a common register for making visible the household, the firm, the nation-state to be valued and evaluated. Feminist economics provides a rich empirical bases for understanding how methods of counting and accounting are foundational to understanding gendered forms of economic inequality. Marilyn Waring's (1989) ground-breaking critique of the system of national accounts*, If Women Counted*, details how the processes of measurement and valuation of work that takes place in households, such as women's unpaid work and care responsibilities, remain invisible in the current system of calculating national wealth. Domestic work conducted by women is classified as "non-producer," and as such cannot expect to gain from the distribution of benefits that flow from economic production. Therefore, public policy derived from the national accounts framework will tend to ignore over half the population (Waring 2015, 12) because it is blind to economic activities of the household that occur beyond the production boundary. Economic analyses remain blind to the household as the 'domestic sphere' for reasons that are "partly substantive ('no exchange takes place'), ('there is no value attached'), and partly technical ('how could it be measured?')" (Hoskyns and Rai, 2007: 301). The exclusion of the domestic sphere has enabled understandings of finance as a practice associated primarily with markets, corporations and states. However, accounts that treat the household as a sphere of non-economic activity cannot explain why financialization as a macroeconomic regime is so dependent on residential mortgages and consumer demand (e.g. household consumption is 70% of GDP in financialised economies). Conceptual and methodological exclusions of the household map onto, and are produced through, clear conceptual boundaries between the public and private sphere, between production (where paid labour produces things) and consumption (where wages buy goods and services), and between a monetary economy and a non-monetary economy.

Geographical thinking transgresses the conceptual boundaries imposed by conventional economic approaches. Drawing on the feminist literature on "the household", which is too extensive to be fully summarized in this short chapter, we build a picture of household finances in relation to unfolding financialization. Informed by feminist economists' engagement with women's unpaid (and uncounted) work in the home and low-paid work in labour markets (Waring 1989; Elson and Cagatay 2000; Himmelweit 2002), feminist political economy's articulation of the unvalued labour of social reproduction (Bakker 2007; Steans and Tepe 2010; Elias and Rai 2018), and feminist geographers' conceptualization of the unseen power relations in the political construction of scale/space where the household is the sphere of social reproduction and consumption (Katz 2001; Marston 2008; Massey 2013), we argue that the household is a key conceptual lens for financial geography.

The household makes visible how daily life constitutes financialization as macroeconomic regime. The heterogeneity of socio-cultural dynamics therein are relevant for understanding how and why different groups within society can participate in and benefit from financialization, and others cannot. The household foregrounds relationality (not the rationality of the unitary economic actor) between its members. It is not simply a decision-making unit. The actions, reactions and inactions of different subjects within the household inform the distribution of resources and thus enactments of financialization. We understand the household as a conceptually complex, empirically heterogeneous and politically contested space. Building on critical geographical scholarship in this area, this chapter argues that there are three geographical concepts through which household finance can be understood: *scale, networked relation,* and *place*. When deployed, these concepts often overlap. Collectively, they position the household as a key lens for analysing the inequalities and power hierarchies at play in the unfolding of financialization. Making visible the mundane everyday activities of financial management and paying attention to the complexity of socio-cultural dynamics within the household fuels a critical geographical approach to finance that seeks not only to understand the world, but also to change it. It draws our attention to the power and agency of households themselves, how they shape their financial lives (albeit not under conditions of their own choosing), and the potential for alternative practices. In developing our argument, we acknowledge the close association between household, house, home and family. There are important differences between these concepts, and occasionally we overstep the boundaries between them in ways that may make some readers uncomfortable. We do so in order to build an expansive case for the importance of feminist and postcolonial approaches to studying geographies of finance.

Household as scale

Geographers have argued for a number of decades that scale is not "a preordained hierarchical framework for ordering the world – local, regional, national and global. It is instead a contingent outcome of the tensions that exist between structural forces and the practices of human agents" (Marston 2000: 220). This understanding of space has been very useful not only because it connects the household – thought about as local in scalar terms – with financial practices operating at other scales, but also because it helps foreground the power relations through which households are positioned (i.e. marginalized) with hierarchal geographies of finance. A scalar perspective demonstrates how intersections between the household and the monetary economy can be observed in geographies of money (income/savings, wealth/capital, credit/debt), people (urbanization and migration), and goods and services (monetary circuits of production and consumption) within the global political economy. The household becomes at once the localised site for capitalist accumulation, and simultaneously a space that impacts regional, national and global processes.

In Anglo-American contexts, scale makes visible how financialization has been built on debt burdens accumulated by residential mortgages to access housing, student loans to access education, lines of credit (or payday loans) as a safety-net, and a plethora of bank and non-bank consumer credit products for consumption and automobile purchases. These debts are the feedstock for global financial markets, as interest revenue is securitized to become a long-chain of ownership claims on interest income from household debt (Leyshon & Thrift 2007, Montgomerie 2009). These interest payments in turn represent income claims by pension funds and institutional investors in search of yield from debt-based products (see Fichtner 2019). Fixed-income debt securities that originate as loans to households are a lucrative profit centre for the financial sector precisely because of the extent to which household finance has become integrated into global financial. In other words, the household produces finance at a global scale. It is also produced as a local scale by finance, as the structuring forces of debt within global markets bear down on the contingent and heterogenous practices of the human agency collectivized in the household.

The household is also produced by and productive of national scales, as financialised processes are intimately connected with state policies that have supported social (asset-based) welfare. Financial geographies of welfare capitalism draw on a multi-scalar frame to explain the ways in which global finance markets integrate into public policy efforts to retrench social security provision by dismantling the ‘welfare state’ (Montgomerie 2013, Soederberg 2014). In Anglo-America, public policy supports a debt-led macroeconomic growth regime, as financial market de-regulation has supported credit-fuelled asset appreciation. For households these changes have materialised as residential housing booms and busts, as households’ desire secure shelter and a long-term low-risk savings vehicle. While residential mortgages bolster aggregate demand as house prices increase, homeowners have used mortgages to convert equity into cash to fuel consumption and national economic growth. Debt-led growth has also opened up the possibility for households to engage credit-leveraged investments. A central example is home-equity loans (HELs), as households extract future anticipated asset gains or collateral from their home. This is another way in which the heterogenous and hierarchical processes of the household are integrated into global financial circuits. As such, common-sense understandings of residential housing as a safe asset (‘safe as houses’) is contingent on the swings and roundabouts of global financial markets (Doling and Ronald, 2010). Some households will benefit from asset-based welfare (‘my house is my pension’), but others will lose out or be excluded all together. Housing-based welfare has become a dominant source of long-term savings for households in Anglo-America, but also as a source of cash to fuel consumption that shores-up aggregate demand. Consequently, property prices become the bellwether of personal/household financial wellbeing and national economic vitality. The mutual dependence of people on secure housing and shelter, of banks on securing profit by issuing mortgage loans, and of national governments on privatizing welfare costs has created a situation where indebtedness is the root of savings, investment and growth, connecting the national aggregate to the local scale and practices of everyday life.

As financialization makes global markets more vulnerable to the losses incurred from flash-crashes, downturns and corporate scandals, market crises and systemic crises are simply ‘downloaded’ on to the average retail investor, or the household (Bryan, 2010; Engelen et al., 2011). Over the past thirty years, a clear pattern has emerged in economies of the global North. As financialization has intensified, it brings a boom, bust, bailout, austerity cycle. Policy responses have evolved from targeted bailouts (Brady Bonds) in the early 1980s, to interest rate cuts as a whole market bailout (2001), to unconventional monetary policy (Quantitative Easing) in Japan in the late 1990s and Anglo-America and Europe since 2008. This culminates in the present-day afterlife of the global financial crisis – negative real interest rates and unconventional monetary policy, have intensified inequality and secular stagnation (the long-term condition of negligible or no growth). At the scale of the household, secular stagnation becomes a product of vulnerability to financial markets volatility. Mian and Sufi (2014) explain how residential mortgages create systemic financial risks, and Green and Lavery (2015) detail how a ‘regressive recovery’ led by QE monetary measures translates into wealth gains only for the top 5% of households. It is thus a driver of inequality that underpins stagnation. The capacity of most households to use financial markets for wealth-gains has become increasingly constrained. Initially, interest-bearing savings accounts were decimated by low interest rates (cutting off a source of risk-free liquid savings for households), at the same time QE contributes to the declining long-term profitability of pension investments (due to downward pressure on government bond yields). Thus, scale makes visible the structural forces that act upon the household. This opens up a space to consider how stratification and hierarchies within and across households produce clear patterns of wealth gains at the top end of the distribution, variability in middle-income groups, and losses for households at the bottom of the income and wealth distribution.

Scalar approaches thus make visible how financialization has perpetuated long-standing structural inequalities between social classes, genders and along racial and ethnic lines (Roberts 2013, Fields 2015, Garcia-Lamarca and Kaika 2016). For example, recent mapping of household debt in Canada by Simone & Walks (2019) makes a compelling argument that the urban geographies of housing in Canada’s three largest cities can be explained through the differential access recent transnational migrants have to debt. Such households can purchase housing through easy access to credit, something enabled and justified through nationbuilding federalist policies. This results in those households shouldering disproportionately high levels of private debt, which the authors suggest underpins an asset-based welfare system supporting predominately older, white Canadians. The household scale is something that is produced differently in particular times and places. Thus, in Stenning et al.'s (2010) detailed study of two neighbourhoods in Kraków, Poland and Bratislava, Slovakia, the post-socialist transition provides the most important frame for understanding everyday household financial practices. The move from a socialist economy to a market economy after 1989 resulted in widespread changes to work, housing and property and family life, manifesting increases in poverty and inequality. The authors argue that access to international banking and financial services must be seen alongside a multiplicity of practices of lending and borrowing, which combine the old and the new, the formal and the informal, the global and the local (c.f. Durst 2016). Scalar perspectives foreground the difference that geography makes to thinking household finance.

Scalar geographies of household finance beyond Euro-America also show how finance itself differs geographically. Most notable in this regard is the extensive work on microfinance, a means through which millions of households in the global South are connected to increasingly global forms of capital (Roy 2012, Kar 2018). As a popular panacea for development and poverty reduction – particularly for women – state and international institutions have promoted the growth of this industry globally. This is underpinned by a belief that entrepreneurial subjects will create their own forms of economic development, although in practice such finance is often used for building and reproducing households (Rankin 2001, Elyachar 2002). Given the global and national legibility of microfinance projects, comparison across scales has become part of the practices of microfinance itself (Roy 2012). Lenders compare the riskiness of borrowers in different countries, while borrowers compare different loans as part of a wider repertoire of financial strategies to make do (Kar & Schuster 2016: 348). Such studies also articulate with research on consumer credit in Anglo-American contexts, which has argued that households lower down the income distribution use small-scale consumer debts to participate in economic life (Montgomerie 2009; Gibbons 2014). While a small market by relative size, consumer credit is important because it integrates households that are not portfolio investors or homeowners directly into the global financial system. As microfinance has been swept up, and to a certain extent, superseded by broader financial inclusion initiatives that promote new forms of FinTech (financial technology) as a development panacea (Gabor and Brooks 2017, Mader 2018), new methods of linking local households and global markets are proliferating across the global South.

The household as networked relation

Building on arguments for a non-scalar geography (Marston et al 2005), there have been a growing number of studies that examine households as a node or point in broader relational network of finance. Such an approach seeks to challenge the hierarchies of scale and advance a flat ontological approach. Households are positioned - ontologically - alongside other spaces of finance, rather than 'below' or at the margins. Crucially, such an approach does not, and should not, be understood as ignoring hierarchies of power. One of the leading proponents of this perspective, Doreen Massey (2005), suggests that all flat ontologies are premised on differential politics of connectivity. In other words, the relationship between what we think of as the local and the global are premised on "power geometries," in which some spaces are better connected (and thus global), while others are less connected and even abandoned. Crucially, relations constitute nodal points or places in the network as much as those sites in turn construct the relations between them.

Households understood as a networked geography, are highly differentiated places through which the global political economy is produced. The practices within and relations between and across households, in turn, constitute the very stuff of finance. Langley's (2006, 2008a) work on everyday borrowing and saving in Anglo-America provides one of the most authoritative examples of this approach. Using Actor Network Theory, he demonstrates how 'global' finance is a distributed network of practices that largely relies on household practices of middle-class subjects. In his account, pensions, ISAs and mortgages are not simply disembodied economic objects, but everyday practices located in suburban spaces. 'Homeowners' and 'savers' – subjects that are in turn produced through a more extensive set of discursive practices – become the key means through which financial products and markets are quite literally constituted (see also Lai 2017). Such work very much prefigured the sub-prime crisis, in which the failure of borrowers to repay debts resulted in a global financial crisis – thought about as a rippling of failure through spatially distributed networks of finance (Langley 2008b).

Approaches to finance as networked geographies have also demonstrated how households themselves are refigured through their broader relational ties. The household has become as a space of financial calculation and speculation that requires new kinds of domestic labour tied to practises such as credit scoring. There are clear gender dimensions to such processes, or what Allon (2014) terms the 'feminisation of finance', as women are folded into financial markets through increased access to mortgage credit and positioned as autonomous, entrepreneurial subjects. Stanley et al.'s (2016) study of digital debt management demonstrates how networked relations between household debtors are increasingly important means for debtors to cope with the practices of credit collection.

Allen and Pryke's (2013) important work on the financialisation of water infrastructure in the UK also shows how the materiality of the household (and the necessity for humans to have access to water) becomes a key site for financial profit generation. This work not only foregrounds how the household is co-constituted through the non-human, but also introduces the spatial figure of topology (see also Langley, *forthcoming*). Building on the flat ontological assumptions underpinning networked conceptions of finance, topology seeks to understand spatial relations beyond those that have presence in geometric (topographic) space. In their account of water, the investment firm Macquarie – ostensibly an Australian investment firm – become proximate to, and even part of, millions of households in Southern England who pay their bills to Thames Water. Harker's (2017) ethnography of debt in Ramallah deploys a topological approach to show how households fold family and social relations elsewhere into the growth of finance under Israeli Occupation. Topological spacings of debt are co-constituted by particular topographies (or networks) of mobility, bounding, place, and distribution (Ibid: 601). Thus, the household is an intensive site in which relations between bodies, institutions, and colonial practices co-constitute practices of debt and indebtedness. This approach draws on Allen's (2011: 284) argument that '[p]ower relationships are not so much positioned in space or extended across it, as compose the spaces of which they are a part. Distanciated ties and real-time connections are not understood as lines on a map which cut across territories, but rather as intensive relationships which create the distances between powerful and not so powerful actors'.

The stretching of the household finance beyond the material confines of its physical form is a key geographical insight emerging from networked and topological approaches. For instance, Kirwan (2019) uses topology to understand how household finances expand to, and enfold, the space of the debt advice office. Moodie's (2013) study of Kiva.org demonstrates how this lending platform creates virtual (colonial) forms of kinship between households in the global North and South. The stretching of the household has particularly been emphasized in relation to mobile practices. For instance, practices of migration stretch everyday financial practices across nation-state borders, through both debts owed in multiple locations and remittances sent back to points of origin (Pratt 2004, Datta & Aznar 2019). These geographies build on the concept of global householding, Peterson's (2010: 271) account of how many households transgress national boundaries "through transborder marriages, overseas education, labor migration, and war displacements". If the household has "gone global" (Elias and Gunawardana 2013), then it is often relationships of care that connect households across borders (Pratt 2004). Once again, gender is crucial in understanding such geographies, since it is largely women from the global South who migrates to perform acts of care for households predominantly in the North (Ehrenreich and Hochschild 2003), creating remittance economies that are distinctly colonial (Guermond & Samba Sylla 2018). The act of embodied care provided by transnational migrants to wealthy and middle-class citizens of nation-states in the global North, enables acts of financial care for households in the South. However, such practices often rely on the unpaid labour of other household members in the global South, as grandparents caring for their grandchildren. Such arrangements often undermine the (global) migrant household as absence and the tensions of working across vast differences are barely mitigated by technologies of connection, leading to family breakdown (Pratt 2012). Montgomerie and Tepe-Belfrage (2017) study of care in Anglo-American households 'stretches' finance in a slightly different way by interrogating how unpaid work within homes 'cares for debts' (i.e. ensures their repayment). This approach links intimate relationships and the work of social reproduction with financialization and indebtedness from the position of the household, while also foregrounding how households can resist the encroachment of financial power into everyday life by not caring for/about their debts.

Household as place

The household as a particular kind of place of, and for, finance foregrounds lived experiences and their co-constitution through uneven power relations. This frame builds on Massey's (2005: 131) understanding of place as a spatio-temporal event. "[P]lace – as open ('a global sense of place'), as woven together out of ongoing stories, as a moment within power-geometries, as a particular constellation within the wider topographies of space, and as in process, as unfinished business". Thinking about the household as place situates financialization within specific spaces-times, which maps onto the complexity and heterogeneity of the household as its defining conceptual feature. This in turn troubles dominant registers that conjure the monetary economy as a national economic entity or a global economic system. For instance, economic understandings of the household as an agent take Becker (1981) at face-value; 'intra-household bargaining' involves the allocation of time or money as scarce resources in household production, where the altruism of the (male) household head ensures that bargaining decisions produce an optional allocation of contractual and non-contractual obligations (Becker 1981). In such approaches, the household is a unitary actor with a unitary will that will maximize utility and has a set of preferences to achieve that goal. The complexity of the household is assumed away by such rational expectations and agent-based modelling, which seeks only to make causal claims. Nancy Folbre's (1986: 6) critique of Becker explains the fallacy of treating the household as undifferentiated unit of analysis and ignoring the significant differences between the economic position of men, women, and children within broader patriarchal relations. '[The] analysis of the household must be situated within a larger structural analysis of gender and age-based inequalities and their interaction with class structure and national position within the world capitalist system.' Put simply, the individuals who make up the family have competing (or non-cooperative) desires and wants, culture shapes how households manage their resources and political economy shapes household finances. Thinking the household as place recognizes the systematic redistributive (gender, race and age-based) power relations that intertwine with other power relations to shape internal household distributions (Katz 1997; Iversen 2003). Methodologically, conceptualising the household as place is an ongoing project to push at the boundaries imposed on it. This conceptual frame ensures the household is not reduced and confined to decision-making preferences, naturalized as the domestic sphere, or generalized into a meaningless level of analysis or sphere of activity, wholly separate and subordinate to the state and the market. Like the other approaches discussed in this chapter, this approach also foregrounds geographical difference.

Sociological and ethnographic approaches to household finance have done most to unsettle and open up the household as a place of spatio-temporal difference. As Zelizer (1997, 33) notes, 'which family members (are) entitled or competent to control, manage and spend family funds is of crucial importance when assessing the relative power structures within the family.' Power in the home is not reducible to money, but money can reflect power relations within the home. In other words, household finances are differentially entangled in power relations that might be gendered, patriarchal, and heteronormative across time-space (Ruwanpura 2007; de Henau and Himmelweit 2013). Resources may not be equally distributed and norms of equality may not exist in many households, but they do in some. Inequalities are in turn created and amplified through practices of household finance. Schuster's (2014) ethnography in Ciudad del Este, Paraguay demonstrates how practices of lending and borrowing create what she terms 'the social unit of debt'. Assumptions about gendered sociality are folded into credit extension practices, in ways that lead to these financial practices re-creating households and communities as places of gender difference, where women are marginalised while men are empowered. In Ramallah, Palestine, Harker et al. (2019) trace the ways in which assumptions about gender and labour, which map on to the external/internal boundary of the house, shape how living with debt is differentially distributed and experienced within households. Masculinity is (re)made as the practice of dealing with household finances outside the home, while femininity is defined as the often-invisible labour of making do within the home. Crucially, such practices need to be understood in relation to the powerful impact Israeli settler colonialism has on co-constituting Ramallah as a particular type of place (see also Harker forthcoming).

Place based approaches to household finance also show how intimate forms of harm link bodies and everyday experience with household/community dynamics and global finance. Harm is understood as not only embodied physically and/or psychologically, but also encoded in the norms and processes (or mechanisms) of the political economy. Global and state financial practices can be read through acts of physical violence and deprivation (where bodily integrity is compromised through hunger, malnourishment, or the withdrawal of health care), psychological harm, emotional stress, and hardship, as well as the loss of freedom or liberty of the person (Stanley et al 2016). Han's (2013a) ethnography of health and care in Santiago, Chile is exemplary in this regard. Her account of how health policies and the expansion of consumer credit become embodied in and as everyday household practices, can be read as a detailed portrait of ways in which violence produced by state institutions and market forces is downloaded onto, and becomes part of, the intimate everyday (see also Han 2013b). These forms of harm are distributed within and across domestic relations at the neighbourhood scale, in ways that both mitigate and intensify violence. Placed-based approaches to understanding financial harm overlap with both scalar and networked approaches. However, they are arguably more powerful because they foreground the body and lived experience, and thus the visceral nature of financial harm.

Conceptualising the household as a place also means it is a situated perspective from and through which to think about finance and its impacts through and across time and space. Such work is well placed to contribute to efforts to decolonise (geographies of) finance (Harker 2017, Bourne et al 2018). This burgeoning scholarship takes issue with the ways in which many knowledge claims are embedded in, and reproduce Euro-America as the implicit spatial context for a series of general claims. Reproducing Euro-America particularly as 'global' not only continues to marginalise knowledges made beyond Euro-America, but also risks missing (i) the diversity of experiences of household finance (including within Europe and America); and (ii) the connections between different contexts through which particular forms and experiences of household finance become more extensive. De- and postcolonial approaches do not deny the usefulness of Northern theory, but rather seek a 'recalibration of the geographies of authoritative knowledge' (Roy 2009: 820) that opens up theory to other places, voices and practices. In other words, household finances that are often ignored must become part of the map. Like the feminist perspectives discussed earlier in this chapter, de- and post-colonial approaches foreground difference and inequality. Post-colonial worlds are literally indebted to, and thus connected and divided from, their former colonial sovereigns in historically and geographically specific and asymmetric ways (Blyth 2013). Transformations in household finances and socio-cultural practices therefore graft on to existing power relations but also create new forms of power (Guerin 2014). For example, James' (2015) ethnography of financialization in South Africa shows that financial processes must be understood through the lens of the post-Apartheid transition. In particular, the commitment to provide previously disenfranchised black people with housing and undo the effects of credit apartheid shape a national economic system in which generating profit has become based on consumption and rent seeking rather than production. However, there are also considerable differences between (urban and rural) places within South Africa itself, which can also be traced to Apartheid and its legacies.

Geographies of the household finance and austerity

Geographies of household finance, whether understood through the concepts of scale, network or place, make visible the everyday practices through which financialized capitalism is constituted. Household finance foregrounds how socio-cultural dynamics shape the ways in which the different subjects and groups can participate in and benefit from financialization. Making visible the mundane everyday activities of households therefore creates a new intellectual space for analysing the inequalities and power hierarchies at play in the geographies of finance. Moving deeper into the material reality of everyday life points to the stratified costs of accessing debt and the unequal distribution of income and wealth gains. Socio-cultural perspectives explain how access to credit works together with entrepreneurial forms of citizenship to condition how individuals participate, or are valued as participants, in a financialised economy. It also enables a critical response to the pervasive morality of finance (Lazzarato 2012), in which debt-fuelled investment in housing or higher education is 'good'; while borrowing for consumerism or any reason that results in an inability to manage debt is 'bad'.

While the three geographical lenses discussed in this chapter come with their own conceptual commitments, in practice they are often deployed to similar ends. Many analyses of household finance will draw on all three perspectives – sometime simultaneously – to critically explore political and intellectual challenges. In this section, we demonstrate how this works in relation to austerity, which has become a key focus in UK studies of finance in the decade after the 2008 financial crisis. However, it is important to recognise the coherence across spatially different forms of post-crisis forms of austerity: in Greece and the Eurozone, but also in America. There has been a successive ratcheting up of the financialised business cycle of boom, bust, bailout for lenders and structural adjustment (austerity) for the state over time. The macroeconomic trend of monetary expansion combined with fiscal restraint manifests differently across space and time. In UK, austerity has been very successful as a political project to transform the role of the state after an economic crash, but not at all successful as a public policy agenda to achieve stable economic growth through fiscal consolidation.

Austerity is how most citizens in the UK have experienced the economy since 2008 (Wren-Lewis 2018). Analysis that begins at the scale of the household makes visible the power of austerity, and in particular how choosing unequal distribution of gains (at the very top of the wealth distribution) and hardship (the remaining 95% of households) is justified through a political narrative about the economic hardship of debt. The common-sense logic is that fiscal consolidation after economic shock is necessary to repair the balance sheet. It is widely acknowledged that this technocratic framing masks the inherent political choice to impose austerity on public spending by erroneously suggesting austerity is equivalent to the retrenchment of private household (Blakeley 2019). The widespread debate over the household fallacy made by proponents of austerity point to the real-world differences between the public and private household (Reinhart and Rogoff 2011; King et al. 2012; Krugman 2015). However, despite the logical fallacy of the household metaphor, it is politically powerful. The macroeconomic justification of austerity reinforces households' own experience of financial crisis. In other words, the austerity narrative reinforces how private households respond to economic shocks and retrenchment. It makes sense to people living under conditions in which the costs of financial crisis are being imposed and must be navigated to survive. The counter-narrative to austerity simply repeats the reality that nation-states are different from households - they create their own currency and can re-finance debt at will (unlike a private household). However, this narrative does not resonate at the level of common-sense economic metaphor.

Thinking through the geographical concept of network positions finance as distinct, but interconnected, spaces that unevenly distribute the gains and harms of austerity. These material connections become intuitively framed in terms of the household balance sheet to disrupt the discourses of complexity that hide the politics and power relations that make austerity possible (Christophers 2015). Austerity can be differentiated by geographies of household finances. The geographical concentration of retail financial flows from households, the uneven distribution of services and income transfers across households, the re-distributional outcomes of Quantitative Easing integrate overlapping spatial perspectives to understand the unfolding of austerity in the post-2008 period. It is not enough to account for why households are integrated into financialisation, but also to demonstrate how household finances vary geographically, socio-culturally, and historically but still form recognisable trends of inequality.

The household as a place of and for lived experience highlights the everyday practices through which people cope with the effects of austerity politics in ways that are messy and complex (Hall 2019). Echoing Sarah Marie Hall's (forthcoming: 1) rich empirical work, the household is one means "to more fully consider the ways in which austerity can be encountered at and across a range of social spaces, with growing interest in how austerity politics play out in everyday personal lives". Inter-generational differences (Hall 2016, Horton 2017) and the role of affect (Deville 2015, Seigworth 2016, Dawney et al. forthcoming) have become key means through which such households relate to finance in both the present and future. Debt-led austerity has transformed debt into a force that reaches into the intimacies of life and, in doing so, becomes a political formation to be acted against (Montgomerie and Tepe-Belfrage 2016, 2017); an austere home also becomes a place for political struggle in which harmful financial relations are resisted and/or disavowed (Davey 2019).

Conclusion

In this chapter we have argued that the household is a key site from and through which to understand finance and financialization. Financial geography approaches have understood household as a scale, a node in a network, and a place. These geographies are often articulated in overlapping fashion in the works cited. Collectively they understand the household as a as distinct but interconnected, complex and heterogeneous financial space. They foreground the unequal relations of power and agentic practices through which household finance is constituted, and the importance of geographical difference. Geographies of household finance make visible the spatial processes creating financial gains and hardship, inclusions and exclusions from credit/debt and the power of creditor/debtor relations. In conclusion, we expand on these collective characteristics to underscore what a geographical approach has to offer broader intellectual and political engagements with finance.

Geographical approaches to household finance foreground practices of connection and disconnection. Households in general have long been excluded from finance and the knowledge production practices that underpin them. These exclusions often stem from and reinforce gender inequalities. Building on feminist traditions, geographical studies highlight how particular households in particular places become connected and disconnected from the financial practices of markets and/or states. For instance, while Langley (2008a) demonstrates how middle-class homes in the UK have become key nodes for financial markets, other studies in the UK demonstrate how poorer households are excluded from such networks and rely on different, often more expensive, financial products (Leyshon et al 2004, Flaherty and Banks 2013, Datta & Aznar 2019). As Leyshon et al.'s (2004) study of doorstep lending in London – the purported heart of global finance – demonstrate, relationships of financial inclusion and exclusion are geographically nuanced, complex and unevenly distributed across different households. Such geographies of dis/connection may not just be topographic either, as Tooker & Clark's (2018) discussion of 'relational finance' emphasizes.

Second, geographies of household finance provide nuanced understandings of both power and resistance. Financial power is understood to cross and construct scales or something that is distributed through networks. Both perspectives help us understand how finance is both a transformative force, but also one that is contested through household practices. Montgomerie & Tepe-Belfrage (2019) focus on the methodological tool of the household debt audit, as a means of making visible the intersections of households and credit practices. This process invites people to care for debts, potentially in different ways: paying them down, diverting expenditures, defaulting, repudiating, cancelling, or paying them off altogether (see also Davey 2019). Kear's (2016) study of microfinance in San Francisco, USA – which upsets common understandings linking microfinance with the global South – also demonstrates how formalized Rotating Savings and Credit Associations enable financially excluded groups to exert strategic control over the calculation of their credit scores.

Finally, geographical approaches to household finance stress divergence and difference. In this chapter we have cited studies that explore how both households and financial practices differ across time-space. However, geographical difference must also be understood as a resource through which other kinds of futures are made possible. Here the work of Gibson-Graham (2014) on weak theory is vital for understanding how thinking through difference opens up imaginaries of different (better) economic, social, political and ecological relations. As Deville & Seigworth (2015: 619) note:

> Debt seen as a generalized phenomenon, seemingly with the power to seep into 'everywhere' and affect 'everyone', occludes not just a plethora of quite distinct financial circumstances and cultural/national regulatory practices and proclivities, but also the innumerable ways in which different financial instruments are organized, encountered and come to resonate with daily life.

The household provides an excellent scale, node, and place from/through which to develop such an understanding. Geographical diversity means the ability to learn from elsewhere, and thus promises to make our strategies for transforming finance more robust.

References

Allen J. 2011a. Topological twists: Power's shifting geographies. *Dialogues in Human Geography* 1: 283–298.

Allen J. & Pryke M. 2013. Financializing household water: Thames water, MEIF, and 'ring-fenced' politics. *Cambridge Journal of Regions, Economy and Society* 6(3): 419–439.

Allon F. 2014. The feminisation of finance. *Australian Feminist Studies* 29 (79): 12–30.

Bakker I. 2007. Social Reproduction and the Constitution of a Gendered Political Economy. *New Political Economy* 12 (4): 541–556.

Becker G. 1981. *A Treatise the Family*. Cambridge M.A.: Harvard University Press.

Blakeley G. 2019. Theresa May's plan to bribe Labour MPs to back Brexit shows austerity was always a choice. *The New Statesmen* 31 January 2019. Available at https://www.newstatesman.com/politics/economy/2019/01/theresa-may-s-plan-bribe-labour-mps-back-brexit-shows-austerity-was-always

Blyth M. 2013. *Austerity: The History of a Dangerous Idea*. Oxford: Oxford University Press.

Bourne C., Gilbert P., Haiven M. & Montgomerie J. 2018. Focus: Colonial Debts, Imperial Insolvencies, Extractive Nostalgias. *Discover Society*. 4th September 2018. Available at https://discoversociety.org/2018/09/04/focus-colonial-debts-imperial-insolvencies-extractive-nostalgias/

Bryan D. 2010. The Duality of Labour and the Financial Crisis. *The Economic and Labour Relations Review* 20 (2): 49–59.

Christophers B. 2015. Geographies of finance II: Crisis, space and political-economic transformation. *Progress in Human Geography* 39(2): 205-213.

Datta K. & Aznar C. 2019. The space-times of migration and debt: Re-positioning migrants' debt and credit practices and institutions in, and through, London. *Geoforum* 98: 300-308.

Davey R. 2019. Mise en scène: The make-believe space of over-indebted optimism *Geoforum* 98: 327-334.

Dawney L., Kirwan S., Walker R. Forthcoming. The intimate spaces of debt: Love, freedom and entanglement in indebted lives. *Geoforum* forthcoming

Deville J. 2015. *Lived Economies of Default*. London: Routledge.

Deville J. & Seigworth G. 2015. Everyday debt and credit. *Cultural Studies* 29 (5–6): 615–629.

Doling J. & Ronald R. 2010. Property-based welfare and European homeowners: how would housing perform as a pension? *Journal of Housing and the Built Environment* 25 (2): 227–241.

Durst J. 2016. Juggling with Debts, Moneylenders and Local Petty Monarchs: Banking the Unbanked in 'Shanty-villages' in Hungary. *Review of Sociology* 25(4): 30–57.

Elias J. & Gunawardana S. (Eds.) 2013. *The Global Political Economy of the Household in Asia*. London: Palgrave MacMillan.

Elias J. & Rai S. 2019. Feminist everyday political economy: Space, time, and violence. *Review of International Studies* 45 (2): 201-220.

Elson D. & Cagatay N. 2000. The Social Content of Macroeconomic Policies. *World Development* 28 (7): 1347–1364.

Elyachar J. 2002. Empowerment money: the World Bank, non-governmental organizations, and the value of culture in Egypt. *Public Culture* 14 (3): 493–513.

Engelen E., Ertürk I., Froud J., Johal S., Leaver A., Moran M., & Nilsson, A. 2011. *After the Great Complacence: Financial Crisis and the Politics of Reform*. Oxford: Oxford University Press.

Ehrenreich B. & Hochschild A. 2003. *Global Woman: Nannies, Maids, and Sex Workers in the New Economy*. New York: Macmillan.

Fichtner J. 2019. The Rise of Institutional Investors. In P. Mader, D. Mertens & N. Van der Zwan (Eds.) *International Handbook of Financialization*. London: Routledge.

Fields D. 2015. Contesting the Financialization of Urban Space: Community Organizations and the Struggle to Preserve Affordable Rental Housing in New York City. *Journal of Urban Affairs* 37(2): 144-165.

Flaherty J. & Banks S. 2013. In whose interest? The dynamics of debt in poor households. *Journal of Poverty & Social Justice* 21(3): 219–232.

Folbre N. 1986. Cleaning house: New perspectives on Households and Economic Development. *Journal of Development Economics* 22 (1): 5-40.

French S., Leyshon A., Wainwright T. 2011. Financializing space, spacing financialization. *Progress in Human Geography* 35: 798-819.

Froud J. & Williams K. 2002. Financialisation and the Coupon Pool. *Capital And Class* 78: 119-151.

de Goede M. 2005. *Virtue, Fortune, and Faith: A Genealogy of Finance*. Minnesota: University of Minnesota Press.

Gabor D. & Brooks S. 2017. The Digital Revolution in Financial Inclusion: International Development in the Fintech Era. *New Political Economy* 22(4): 423–36.

García-Lamarca M. & Kaika M. 2016. 'Mortgaged lives': the biopolitics of debt and housing financialisation. *Transactions of the Institute of British Geographers* 41(3): 313-327.

Gibbons D. 2014. *Solving Britain's Personal Debt Crisis*. Cambridge: Searching Finance.

Gibson-Graham J-K. 2014. Rethinking the economy with thick description and weak theory. *Cultural Anthropology* 55(S9): S147–S153.

Graham S. & Marvin S. 2001. *Splintering Urbanism*. London: Routledge.

Green J. & Lavery S. 2015. The Regressive Recovery: Distribution, Inequality and State Power in Britain's Post-Crisis Political Economy. *New Political Economy* 20 (6): 894–923.

Guérin I. 2015. Juggling with Debt, Social Ties, and Values: The Everyday Use of Microcredit in Rural South India. *Current Anthropology* 55 (S9): S40-S50.

Guermond V. & Samba Sylla N. 2018. When Monetary Coloniality Meets 21st Century Finance: Development in The Franc Zone. *Discover Society* 4th September 2018. https://discoversociety.org/2018/09/04/when-monetary-coloniality-meets-21st-century-finance-development-in-the-franc-zone/

Hall S. M. 2016. Everyday Family Experiences of the Financial Crisis: Getting by in the Recent Economic Recession. *Journal of Economic Geography* 16 (2): 305 330.

Hall S. M. 2019. *Everyday Life in Austerity: Family, Friends and Intimate Relations*. London: Palgrave Macmillan.

Hall S. M. Forthcoming. The Personal is Political: Feminist Geographies of/in Austerity. *Geoforum* forthcoming.

Han C. 2013a. *Life in Debt: Times of Care and Violence in Neoliberal Chile*. Berkeley: University of California Press.

Han C. 2013b. Suffering and pictures of anthropological inquiry: A response to comments on Life in debt. *HAU: Journal of Ethnographic Theory* 3 (1): 231–40.

Harker C. 2017. Debt space: Topologies, ecologies and Ramallah, Palestine. *Environment and Planning D: Society and Space* 35 (4): 600-619.

Harker C. Forthcoming. *Spacing Debt: Obligations, Violence and Endurance in Ramallah, Palestine*. Durham, N.C.: Duke University Press.

Harker C., Sayyad D. & Shebeitah R. 2019. The gender of debt and space: Notes from Ramallah-Al Bireh, Palestine. *Geoforum* 98: 277-285

de Henau J. & Himmelweit S. 2013. Examining public policy from a gendered intra-household perspective: changes in family-related policies in the UK, Australia and Germany since the mid-nineties. *Oñati Socio-Legal Series* 3(7): 1222–1248.

Himmelweit S. 2002. Making Visible the Hidden Economy: The Case for Gender-Impact Analysis of Economic Policy. *Feminist Economics* 8 (1): 49–70.

Horton J. 2017. Young people and debt: Getting on with austerities. *Area* 49(3): 280–287.

Hoskyns C. & Rai S. 2007. Recasting the Global Political Economy: Counting Women's Unpaid Work. *New Political Economy* 12 (3): 297–317.

Iversen V. 2003. Intra-Household Inequality: A Challenge for the Capability Approach? *Feminist Economics* 9 (2-3): 93-115.

James D. 2015. *Money from Nothing: Indebtedness and Aspiration in South Africa*. Stanford: Stanford University Press.

Joseph M. 2014. *Debt to Society: Accounting for Life Under Capitalism*. Minneapolis: University of Minnesota Press.

Katz C. 2001. Vagabond Capitalism and the Necessity of Social Reproduction. *Antipode* 33 (4): 709–728.

Katz E. 1997. The Intra-Household Economics of Voice and Exit. *Feminist Economics* 3(3): 25–46.

Kar S. 2018. *Financialising Poverty: Labor and Risk in Indian Microfinance*. Stanford: Stanford University Press.

Kar S. & Schuster C. 2016. Comparative projects and the limits of choice: ethnography and microfinance in India and Paraguay. *Journal of Cultural Economy* 9 (4): 347–363.

Kear M. 2016. Peer lending and the subsumption of the informal. *Journal of Cultural Economy* 9(3): 261–276.

Kirwan S. 2019. On 'those who shout the loudest': Debt advice and the work of disrupting attachments. *Geoforum* 98: 318-326.

King L., Kitson M., Konzelmann S. & Wilkinson F. 2012. Making the same mistake again—or is this time different? *Cambridge Journal of Economics* 36: 1–15.

Krippner G. 2005. The financialization of the American economy. *Socio-Economic Review* 3 (2): 173–208.

Krugman P. 2015. The austerity delusion. *The Guardian* 29th April 2015. https://www.theguardian.com/business/ng-interactive/2015/apr/29/the-austerity-delusion

Lai K. 2017. Unpacking financial subjectivities: Intimacies, governance and socioeconomic practices in financialisation. *Environment and Planning D: Society and Space* 35 (5): 913–932.

Langley P. 2006. Securitising suburbia: The transformation of Anglo-American mortgage finance. *Competition & Change* 10 (3): 283-99

Langley P. 2008a. *The Everyday Life of Global Finance: Saving and Borrowing in Anglo-America*. Oxford, UK: Oxford University Press.

Langley P. 2008b. Sub-prime mortgage lending: A cultural economy. *Economy and Society* 37 (4): 469-494.

Langley P. Forthcoming. The folds of social finance: making markets, remaking the social. *Environment and Planning A: economy and space* Forthcoming.

Lazzarato M. 2012. *The Making of Indebted Man*. Los Angeles: Semiotext(e).

Leyshon A., Burton D., Knights D., Alferoff C. and Signoretta P. 2004. Towards an ecology of retail financial services: understanding the persistence of door-to-door credit and insurance providers. *Environment and Planning A* 36(4): 625-646.

Leyshon A. & Thrift N. 2007. The Capitalization of Almost Everything: The Future of Finance and Capitalism. *Theory, Culture & Society* 24 (7-8): 97-115.

Mader P. 2018. Contesting Financial Inclusion. *Development and Change* 49(2): 461–483.

Marston S. 2000. The Social Construction of Scale. Progress in Human Geography 24 (2): 219–242.

Marston S. 2008. A Long Way from Home: Domesticating the Social Production of Scale. In E. Sheppard & R. McMaster (Eds.) *Scale and Geographic Inquiry: Nature, Society, and Method*. New York: John Wiley & Sons. pp. 170–191.

Marston S., Jones J.P. & Woodward K. 2005. Human Geography without Scale. *Transactions of the Institute of British Geographers* 30: 416-432.

Massey D. 1994. *Space, Place and Gender*. Cambridge: Polity Press.

Massey D. 2005. *For Space*. London: Sage.

Mian A. & Sufi A. 2014. *House of Debt: How They (and You) Caused the Great Recession, and How We Can Prevent It from Happening Again*. Chicago: University of Chicago Press.

Montgomerie J. 2009. The pursuit of (past) happiness? Middle-class indebtedness and Anglo-American financialisation. *New Political Economy* 14 (1): 1–24.

Montgomerie J. 2013. America's debt safety-net. *Public Administration* 91 (4): 871–888.

Montgomerie and Tepe-Belfrage D. 2016. A Feminist Moral-Political Economy of Uneven Reform in Austerity Britain: Fostering Financial and Parental Literacy. *Globalizations*. 13 (6): 890-905.

Montgomerie and Tepe-Belfrage D. 2017. Caring for Debts: How the Household Economy Exposes the Limits of Financialisation. *Critical Sociology* 43 (4-5): 653-668.

Montgomerie J. & Tepe-Belfrage D. 2019. Narrating the Search for a Methodology of the Household

Moodie M. 2013. Microfinance and the gender of risk: the case of Kiva.org. *Signs: Journal of Women, Culture & Society* 38 (2): 279–302.

Peterson V.S. 2010. Global Householding amid Global Crises. *Politics & Gender* 6 (2): 271–281.

Pósfai Z., Gál Z. & Nagy E. 2017. Financialization and inequalities: The uneven development of the housing market on the eastern periphery of Europe. In S. Fadda & P. Tridico (Eds.) *Inequality and Uneven Development in the Post-Crisis World*. London: Routledge. pp.167-190.

Pratt G. 2004. *Working Feminism*. Edinburgh: Edinburgh University Press.

Pratt G. 2012. *Families Apart: Migrant Mothers and the Conflicts of Labor and Love*. Minnesota: University of Minnesota Press.

Rankin K. 2001. Governing development: neoliberalism, microcredit, and rational economic woman. *Economy & Society* 30 (1): 18–37.

Reinhart C. & Rogoff K. 2011. From Financial Crash to Debt Crisis. *American Economic Review* 101 (5): 1676– 1706.

Roberts A. 2013. Financing Social Reproduction: The Gendered Relations of Debt and Mortgage Finance in Twenty-first-century America. *New Political Economy* 18 (1): 21-42.

Roy A. 2009. The 21st-Century Metropolis: New Geographies of Theory. *Regional Studies* 43 (6): 819-830.

Roy A. 2012. Subjects of risk: technologies of gender in the making of millennial modernity. *Public Culture* 24 (1): 131–155.

Runyan A. 2018. *Global Gender Issues in the New Millennium*. London: Routledge.

Ruwanpura K. 2007. Shifting Theories: Partial Perspectives on the Household. *Cambridge Journal of Economics* 31 (4): 525-538.

Sassen S. 1991. *The Global City*. Princeton: Princeton University Press.

Seigworth G. 2016. Wearing the world like a debt garment: interface, affect, and gesture. *Ephemera* 16 (4): 15-31.

Simone D. & Walks A. 2019. Immigration, race, mortgage lending, and the geography of debt in Canada's global cities. *Geoforum* 98: 286-299.

Soederberg S. 2014. *Debtfare States and the Poverty Industry: Money, Discipline and the Surplus Population*. London: Routledge.

Stanley L., Deville J. & Montgomerie J. 2016. Digital Debt Management: The Everyday Life of Austerity. *New Formations* 87: 64–82.

Steans J. & Tepe D. 2010. Social reproduction in international political economy: Theoretical insights and international, transnational and local sitings. *Review of International Political Economy* 17 (5): 807–815.

Stenning A., Smith A., Rochovska A. & Swiatek D. 2010. *Domesticating Neoliberalism: Spaces of Economic Practice and Social Reproduction in Post-socialist Cities*. Oxford: Wiley-Blackwell.

Tooker L. & Clarke C. 2018. Experiments in Relational Finance: Harnessing the Social in Everyday Debt and Credit. *Theory, Culture & Society* 35(3): 57–76.

True J. 2012. *The Political Economy of Violence Against Women*. Oxford: Oxford University Press.

Van der Zwan N. 2014. Making Sense of Financialization. *Socio-Economic Review* 12 (1): 99–129.

Waring M. 1989. *If Women Counted: A New Feminist Economics*. Macmillan London.

Waring M. 2015. *Counting for Nothing: What Men Value and What Women Are Worth*. University of Toronto Press.

Wren-Lewis S. 2018. *The Lies We Were Told: Politics, Economics, Austerity and Brexit*. Bristol: Bristol University Press.

Zelizer V. 1997. *The Social Meaning of Money*. Princeton: Princeton University Press.